

## **EXHIBIT 1**

### **INTRODUCTION**

Respondent Marc Nathanson is an individual residing in Los Angeles.

In 2004, during the first semi-annual campaign reporting period, Respondent made \$31,000 in contributions, and thereby qualified as a “major donor committee” under the Political Reform Act (the “Act”).<sup>1</sup> As such, Respondent was required to comply with specified campaign reporting provisions of the Act.

As a major donor committee, Respondent was required by the Act to file a semi-annual campaign statement, commonly known as a “major donor statement,” disclosing Respondent’s campaign activity during the six-month period January 1, 2004 through June 30, 2004.

For the purposes of this Stipulation, Respondent’s violations are stated as follows:

**COUNT 1:** Respondent Marc Nathanson failed to file a semi-annual campaign statement, by the July 31, 2004 due date, for the reporting period January 1, 2004 through June 30, 2004, in violation of section 84200, subdivision (b) of the Government Code.

### **SUMMARY OF THE LAW**

An express purpose of the Act, as set forth in section 81002, subdivision (a), is to ensure that the contributions and expenditures affecting election campaigns are fully and truthfully disclosed to the public, so that voters may be better informed, and improper practices may be inhibited. To that end, the Act sets forth a comprehensive campaign reporting system designed to accomplish this purpose of disclosure.

Section 82013, subdivision (c) includes within the definition of “committee” any person or combination of persons who directly or indirectly makes contributions, including loans, totaling ten thousand dollars (\$10,000) or more in a calendar year to, or at the behest of, candidates or committees. This type of committee is commonly referred to as a “major donor” committee.

Section 84200, subdivision (b) requires a major donor committee to file a semi-annual campaign statement for any reporting period in which the committee made campaign contributions. The first semi-annual campaign statement covers the reporting period January 1 through June 30, and must be filed by July 31. The second semi-annual campaign statement covers the reporting period July 1 through December 31, and must be filed by January 31 of the following year.

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<sup>1</sup> The Political Reform Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in sections 18109 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

Section 84215, subdivision (a) requires all major donor committees that make contributions supporting or opposing state candidates, measures, or committees to file their campaign statements with the offices of the Secretary of State, the Registrar-Recorder of Los Angeles County, and the Registrar of Voters of the City and County of San Francisco.

### **SUMMARY OF THE FACTS**

During the semi-annual reporting period January 1, 2004 through June 30, 2004, Respondent Marc Nathanson made campaign contributions totaling \$31,000 as follows:

02/06/2004	Kuehl 2004	\$ 500.00
02/20/2004	Councilmember Wendy Greuel Officeholder Account	\$ 500.00
2/20/2004	Bill Rosendahl for City Council	\$ 500.00
3/19/2004	Public Safety & Homeland Security-Yes on Measure A	\$25,000.00
4/27/2004	Committee to Re-Elect Jack Weiss	\$ 500.00
4/27/2004	Newsom for Mayor	\$ 750.00
4/27/2004	Councilmember Jeffrey Prang Committee	\$ 250.00
5/14/2004	John Duran City Council 2005	\$ 1,000.00
5/14/2004	Re-Elect Assemblyman Paul Koretz	\$ 1,000.00
6/11/2004	Hahn for Mayor 2005	\$ 1,000.00

By making a campaign contribution of \$10,000 or more in the 2004 calendar year, Respondent qualified as a major donor committee under section 82013, subdivision (c).

Respondent discovered the violation and contacted the Enforcement Division. Respondent voluntarily filed his major donor campaign statement on January 31, 2005, over six months late.

### **COUNT 1**

#### **Failure to File a Semi-Annual Campaign Statement**

As a major donor committee, Respondent Marc Nathanson had a duty, under section 84200, subdivision (b), to file a semi-annual campaign statement for the reporting period January 1, 2004 through June 30, 2004, disclosing campaign contributions made during that reporting period. Respondent was required to file the statement at all of the locations specified in section 84215, subdivision (a), including the Office of the Secretary of State, by July 31, 2004. Respondent failed to file a semi-annual campaign statement by the July 31, 2004 due date, in violation of section 84200, subdivision (b).

### **CONCLUSION**

This matter consists of one count, which carries a maximum possible administrative penalty of Five Thousand Dollars (\$5,000).

This matter was excluded from the Enforcement Division's Streamlined Major Donor Enforcement Program. In 2002, Respondent was fined \$4,000 for failing to file two late contribution reports for contributions made in connection with the November 2000 Statewide General Election.

The administrative penalty imposed for major donor filing violations resolved outside of the Streamlined Major Donor Enforcement Program has historically been determined on a case-by-case basis, and has varied depending on the mix of aggravating and mitigating circumstances. In this case, although Respondent voluntarily contacted the Enforcement Division, Respondent's violations are aggravated by his prior violations of the Act. Therefore, a penalty higher than that which would have been imposed under the streamlined program is appropriate.

The facts of this case justify imposition of the agreed upon penalty of One Thousand Five Hundred Dollars (\$1,500).